

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Building, Los Angeles, at 2 p.m., December 6, 1938.

Present were:

A. E. Stockburger, Chairman
George J. Hatfield, Member
Harry B. Riley, Member

Mr. H. J. March, President, Southwest Exploration Company, holder of Agreement for Easement No. 392, Huntington Beach, presented an application to the Commission for an amendment to Exhibit 1 containing drilling requirements under said easement. In accordance with the request contained in said application, Mr. Riley put resolution as follows:

BE IT RESOLVED That the Attorney of the Division of State Lands be and he is hereby authorized and directed to execute upon behalf of the State Lands Commission an amendment to Agreement for Easement No. 392, Huntington Beach, as follows:

Strike remainder of the sentence contained on page 1, line 17, of Exhibit "A" following the word "angles" and add in lieu thereof the following "to a line intersecting and passing through the surface location of each of the wells of the Standard Oil Company of California above described located on the Pacific Electric right-of-way."

The roll was called and the resolution was adopted by the following vote:

Ayes - A. E. Stockburger
Geo. J. Hatfield
Harry B. Riley

Noes - None

An application having been presented to this Commission for an extension of time within which to commence construction of groins under Approval of Plans issued pursuant to Groin Application No. 39, Mr. Hatfield put resolution as follows:

BE IT RESOLVED That the Attorney of the Division of State Lands be, and he is hereby, authorized and directed to execute upon behalf of the Commission an extension of time within which to commence construction under Approval of Plans heretofore issued pursuant to Groin Application No. 39 to and including January 23, 1939.

The roll was called and the resolution was adopted by the following vote:

Ayes - A. E. Stockburger
George J. Hatfield
Harry B. Riley

Noes - None

Upon motion of Mr. Hatfield, seconded by Mr. Riley, and unanimously carried, the Executive Officer was directed to make application to the Federal Government for patents covering Swamp & Overflowed Land Surveys 115 and 156.

James P. Fitzpatrick, Esq., Attorney at Law, E. L. Pauley, Sr., H. R. Pauley, A. Dispenbrock, upon behalf of the Petrol Corporation, and H. S. Hancock and R. H. Garrison upon behalf of the Huntington Beach Townsite Association, appeared before the Commission to obtain consent to redrill wells described in Agreement for Easements Nos. 293, 308, and 323.

At the conclusion of the presentation, it was moved by Mr. Hatfield, and seconded by Mr. Riley, and unanimously carried, that Mr. Fitzpatrick, present his application in writing to the Commission and that Dr. E. K. Soper and the Executive Officer make independent investigations to determine whether applications had been received for redrilling of said wells by the Division of State Lands prior to the effective date of the "State Lands Act of 1938" and the action taken, if any, upon them.

An application having been presented by Alfred W. Robertson, Attorney at Law, Santa Barbara, for the offering of certain tidelands and submerged lands of the State in the City of Carpinteria, County of Santa Barbara, State of California, for the extraction of oil, gas and other hydrocarbons, it appearing to the Commission that oil and gas may be contained in the uplands adjacent to said tidelands and submerged lands and in said tidelands and submerged lands, and that said tidelands and submerged lands, on account of drilling operations being conducted upon the adjacent uplands, may be subject to drainage, and that it is to the best interests of the State to offer said tidelands and submerged lands for the extraction of oil, gas and other hydrocarbons, a resolution was put by Mr. Hatfield as follows:

RECITAL:

The State Lands Commission is authorized by the "State Lands Act of 1938" to enter into agreements for the extraction of oil, gas, and other hydrocarbons from tidelands and submerged lands of the State of California whenever it appears to the Commission that oil and gas deposits are known or believed to be contained in such tidelands and submerged lands, and may be, or are being drained by means of wells upon adjacent lands not owned by the State.

NOW THEREFORE BE IT RESOLVED:

That it appears to, and is hereby the determination of, the State Lands Commission that oil and gas deposits may be contained in the hereinafter described tidelands and submerged lands of the State of California, and which said tidelands and submerged lands may be or are being drained of oil and gas by means of wells upon lands not owned by the State and adjacent to said hereinafter described tidelands and submerged lands of the State;

That it is the determination of the Commission that such action be taken in the manner contemplated and authorized in the "State Lands Act of 1938" to protect the oil and gas reserves of the State of California in the hereinafter described tidelands and submerged lands;

That each bidder may propose to enter into an agreement with the State of California for the extraction of oil, gas and other hydrocarbons from said tidelands and submerged lands;

That each bidder, as condition precedent to the consideration of such bidder's bid, in addition to other qualifications contained in "State Lands Act of 1938," shall present at the time of delivery of such bid to the State Lands Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way without cost or obligation to the State for all operations contemplated under the provisions of form of bid, and any bid not accompanied by such evidence will be rejected by the Commission;

That evidence of the present ability of a bidder to furnish all necessary upland sites and rights of way for the operations contemplated under the provisions of the form of agreement for easement shall include the following:

1. The owner or owners of real property described as the "uplands" herein and in said agreement shall execute the endorsement on said agreement acknowledging that the bidder has been granted all such necessary sites, rights-of-way and easements; and

2. The bidder shall transmit to the Commission with his bid either (a) the instrument or instruments, or certified copies thereof, vesting in such bidder such sites, rights-of-way and easements, or (b) certified copies of such instrument or instruments together with the affidavits of the owners of said uplands that the original copies of such documents have been placed in escrow to be delivered to the bidder in the event the bid is accepted;

That the finding of the Commission whether a bidder has the present ability to furnish all necessary sites and rights-of-way for all operations contemplated under the agreement for easement for which the bid is submitted shall be final and conclusive;

That each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$5,000. as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidder. Should the successful bidder fail or refuse to execute the agreement for easement within fifteen days of the award thereof by the Commission, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental rate for the first year and the balance, if any, refunded to the grantee;

That bids received pursuant to this notice will be publicly opened at 10 a.m., December 30, 1938, in Room 306, State Capitol, Sacramento, California, or at such other place, time, and date as the Commission shall determine;

That a form of agreement for easement prepared by the Commission entitled "Agreement for Easement No. Santa Barbara," for the hereinafter described tidelands and submerged lands, is hereby adopted by the Commission and shall constitute the form of bid for the hereinafter described tidelands and submerged lands;

That the Executive Officer of this Commission be and he is hereby directed to publish notice of intention to offer said tidelands and submerged lands of the State of California for the purpose of extraction of oil and gas therefrom, in words and figures as follows:

"NOTICE OF INTENTION OF THE STATE LANDS
COMMISSION TO RECEIVE OFFERS TO ENTER INTO
AN AGREEMENT FOR EXTRACTION OF OIL, GAS AND
OTHER HYDROCARBONS FROM CERTAIN TIDELANDS
AND SUBMERGED LANDS OF THE STATE SITUATE IN
SANTA BARBARA COUNTY, CALIFORNIA

"Notice is hereby given by the State Lands Commission, acting pursuant to the 'State Lands Act of 1938' (Chapter 5, Statutes of California, Extra Session 1938) of intention to enter into an agreement for the purpose of extraction of oil, gas and other hydrocarbons from those certain tidelands and submerged lands situate in the County of Santa Barbara, State of California, and more particularly described as follows, to wit:

"Beginning at a point on the ordinary high water mark of the Pacific Ocean at the intersection of the easterly boundary line of Olive Avenue, as shown on map of the Town of Carpinteria filed April 27, 1889, at page 7 of the Book 2, Maps and Surveys in the office of the Recorder of the County of Santa Barbara, prolonged southerly to its intersection with the said ordinary high water mark; thence along the said ordinary high water mark North 52° 30' West, 765 feet - to its intersection with the extension southwesterly of the center line of Walnut Avenue, as delineated on said map; thence out into the Pacific Ocean, South 37° 30' West, 2640 feet to a point; thence South 52° 30' East, 765 feet to a point; thence North 37° 30' East, 2640 feet to the point of beginning containing 46 acres.

"All drilling operations shall be conducted from, and all derricks, machinery and any and all other surface structures, equipment and appliances, shall be located upon, the uplands situate in the County of Santa Barbara, State of California, and more particularly described as follows, to wit:

"The area lying between the westerly boundary of Walnut Avenue and projections thereof, and the easterly boundary of Olive Avenue and projections thereof, and between the Northwesterly boundary of the Southern Pacific Railroad Company property and the ordinary high water mark of the Pacific Ocean, all as shown upon Map No. 1-A-4, Carpinteria Union School District, on file in the office of the County Assessor of Santa Barbara County, California.

"Each bidder, as condition precedent to the consideration of such bidder's bid, in addition to other qualifications contained in 'State Lands Act of 1938,' shall present at the time of delivery of such bid to the State Lands Commission evidence satisfactory to the Commission of the present ability of such bidder to furnish all necessary sites and rights-of-way without cost or obligation to the State for all operations contemplated under the provisions of form of bid, and any bid not accompanied by such evidence will be rejected by the Commission.

"Evidence of the present ability of a bidder to furnish all necessary uplands sites and rights-of-way for the operations contemplated under the provisions of the form of agreement for easement shall include the following:

"1. The owner or owners of real property described as the 'uplands' herein and in said agreement shall execute the endorsement on said agreement acknowledging that the bidder has been granted all such necessary sites, rights-of-way and easements; and

"2. The bidder shall transmit to the Commission with his bid either (a) the instrument or instruments, or certified copies thereof, vesting in such bidder such sites, rights-of-way and easements, or (b) certified copies of such instrument or instruments together with the affidavits of the owners of said uplands that the original copies of such documents have been placed in escrow to be delivered to the bidder in the event the bid is accepted.

"The finding of the Commission whether a bidder has the present ability to furnish all necessary sites and rights-of-way for all operations contemplated under the agreement for easement for which the bid is submitted shall be final and conclusive.

"Each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$5,000 as a deposit of evidence of good faith, and except in the case of the successful bidder will be returned to the respective bidder. Should the successful bidder fail or refuse to execute the agreement for easement within fifteen days of the award thereof by the Commission, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental rate for the first year and the balance, if any, refunded to the Grantee.

"All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to State Lands Commission, Room 301, California State Building, Los Angeles, California, on or before 10:00 a.m., of the 29th day of December, 1938. Upon the sealed envelope containing such bid shall be written 'Bid of (name of bidder) made pursuant to notice of intention of State Lands Commission to enter into agreement for extraction of oil, gas and other hydrocarbons from tide and submerged lands of the State of California, in the County of Santa Barbara, State of California.'

"Bids received pursuant to this notice will be publicly opened at 10:00 a.m., December 30, 1938, in Room 306, State Capitol, Sacramento, California, or at such other place, time, and date as the Commission shall determine.

"Form of bid entitled 'Agreement for Easement No. _____, Santa Barbara,' may be obtained at the office of the Commission, Room 301, California State Building, Los Angeles.

"The Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION

By

Webb Shadle,
Executive Officer."

That those certain tidelands and submerged lands situate in the County of Santa Barbara, State of California, are more particularly described as follows to-wit:

Beginning at a point on the ordinary high water mark of the Pacific Ocean at the intersection of the Easterly boundary line of Olive Avenue, as shown on map of the Town of Carpinteria filed April 27, 1889, at page 7 of the Book 2, Maps and Surveys in the office of the Recorder of the County of Santa Barbara, prolonged southerly to its intersection with the said ordinary high water mark; thence along the said ordinary high water mark North 52° 30' West, 765 feet to its intersection with the extension southwesterly of the center line of Walnut Avenue, as delineated on said map; thence out into the Pacific Ocean, South 37° 30' West, 2640 feet to a point; thence South 52° 30' East, 765 feet to a point; thence North 37° 30' East, 2640 feet to the point of beginning containing 46 acres.

That the Executive Officer be and he is hereby authorized and directed to perform all acts and to do all things necessary and desirable to effectuate the purposes of this resolution and the "State Lands Act of 1938" insofar as applicable hereto.

The roll was called and the resolution was adopted by the following vote:

Ayes - A. E. Stockburger
George J. Hatfield
Harry B. Riley

Noes - None

Carl B. Sturzenacker presented to the Commission evidence that the SE $\frac{1}{4}$ of Section 36, T. 27 N., R. 4 E., S.B.M. is known to

contain a commercially valuable mineral, to wit, chalk, and requested that said lands be offered for lease in accordance with law.

Mr. Riley put resolution as follows:

RECITAL:

The State Lands Commission is authorized by the "State Lands Act of 1938" to lease lands belonging to the State which have been classified by the Commission as lands containing commercially valuable mineral deposits to the highest responsible bidder by competitive bid in areas not exceeding 80 acres and tracts which will not exceed in length two and one half times the width:

NOW THEREFORE BE IT RESOLVED That it appears to, and is hereby the determination of, the State Lands Commission, that chalk is known to be contained in the hereinafter described lands of the State of California and said lands are hereby classified as containing a commercially valuable mineral deposit;

That it is the determination of the Commission that such action be taken in the manner contemplated and authorized by the "State Lands Act of 1938" to lease the hereinafter described lands of the State of California:

That each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$500, as a deposit of evidence of good faith, and except in the case of the successful bidder or bidders will be returned to the respective bidders. Should the successful bidder fail or refuse to execute the lease within fifteen days of the award thereof by the Commission, the deposit shall be forfeited to the State of California; otherwise the amount of said deposit shall be applied upon the annual rental for the first year, and the balance, if any, be refunded to the lessee;

That bids received pursuant to this notice will be publicly opened at 10 o'clock a.m., February 6, 1939, at Room 301, California State Building, Los Angeles, California, or at such later time, date, and place as the Commission shall determine;

That a form of lease prepared by the Commission entitled "State Mineral Lease No. _____" is hereby adopted by the Commission and shall constitute the form of bid for each of the parcels of the hereinafter described lands of the State of California;

That the Executive Officer of this Commission be, and he is hereby, authorized and directed to publish notice of intention to offer said parcels of the hereinafter described lands of the State of California for the purpose of extraction of chalk therefrom, in words and figures as follows, to wit:

"NOTICE OF INTENTION OF THE STATE LANDS
COMMISSION TO RECEIVE OFFERS TO ENTER
INTO LEASES FOR EXTRACTION OF CHALK
FROM CERTAIN LANDS OF THE STATE SITUATE
IN INYO COUNTY, CALIFORNIA.

"Notice is hereby given by the State Lands Commission, acting pursuant to the 'State Lands Act of 1938' (Chapter 5, Statutes of California, Extra Session 1938), of intention to enter into leases for the purpose of extraction of chalk from those certain parcels of real property situate in the County of Inyo, State of California, and more particularly described as follows, to wit:

"Parcel 1. $E\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 36,
T. 27 N., R. 4 E., S.B.M.

"Parcel 2. $W\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 36,
T. 27 N., R. 4 E., S.B.M.

"Each bid submitted pursuant to this notice shall be accompanied by certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$500 as a deposit of evidence of good faith, and except in the case of the successful bidder or bidders will be returned to the respective bidder. Should the successful bidder or bidders fail or refuse to execute the lease within fifteen (15) days of the award thereof by the Commission, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental rate for the first year and the balance, if any, refunded to the lessee.

"All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to the State Lands Commission, Room 301, California State Building, Los Angeles, California, on or before 10 o'clock a.m., of the 31st day of January, 1939. Upon the sealed envelope containing such bid shall be written 'Bid of (name of bidder) made pursuant to notice of intention of the State Lands Commission to enter into lease for extraction of chalk from State lands in the County of Inyo, State of California.'

"Bids received pursuant to this notice will be publicly opened at 10 o'clock a.m., February 6, 1939, in Room 301, California State Building, Los Angeles, California, or at such place, time, and date, as the Commission shall determine.

"Form of bid entitled 'State Mineral Lease No. _____' may be obtained at the office of the Commission, Room 301, California State Building, Los Angeles, California.

"The Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION

By

Webb Shadle,
Executive Officer."

That those certain parcels of land of the State of California situate in the County of Inyo, State of California, are more specifically described as follows to wit:

Parcel 1. $E\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 36,
T. 27 N., R. 4 E., S.B.M.

Parcel 2. $W\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 36,
T. 27 N., R. 4 E., S.B.M.

That the Executive Officer be, and is hereby, authorized and directed to perform all acts and to do all things necessary and desirable to effectuate the purposes of this resolution.

The roll was called and the resolution adopted by the following vote:

Ayes - A. E. Stockburger
Harry B. Riley

Noes - None

Carl B. Sturzenacker and Arthur H. Alexander appeared before the Commission to request that they be paid for vacation accumulated prior to their respective suspensions on August 23, 1938. On motion of Mr. Riley, seconded by Mr. Stockburger, the Executive Officer was directed to communicate with the Department of Finance at Sacramento and the State Personnel Board in an effort to obtain for them vacation pay as follows:

Arthur H. Alexander - $9\frac{1}{2}$ days
Carl B. Sturzenacker - $22\frac{1}{2}$ "

Mr. Riley put resolution as follows:

BE IT RESOLVED That the Executive Officer of the State Lands Commission be authorized and directed to perform acts and execute documents upon behalf of the Commission as follows:

1. To sign Certificate No. 18816 certifying to the Governor that Frederick A. Fickert is entitled to a patent to $SW\frac{1}{4}$ of $NW\frac{1}{4}$, $NE\frac{1}{4}$ of $NW\frac{1}{4}$, $NW\frac{1}{4}$ of $NE\frac{1}{4}$ and $SW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 30, T. 31 S., R. 32 E., MDM.

2. To sign Certificate 18817 certifying to the Governor that D. J. Shields is entitled to receive a patent for $NE\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 36, T. 12 N., R. 10 E., M.D.M.

3. To sign Certificate 18818 certifying to the Governor that Ernest Martin is entitled to receive a patent for $SE\frac{1}{4}$ of $NW\frac{1}{4}$ of Section 16, T. 10 N., R. 1 E., S.B.M.

4. To sign Certificate 18819 certifying to the Governor that Ernest Martin is entitled to patent for $NE\frac{1}{4}$ of $NE\frac{1}{4}$ of Section 36, T. 5 N., R. 12 E., $NW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 16, T. 10 N., R. 1 E.; $NE\frac{1}{4}$ of Section 36, T. 4 N., R. 7 W.; and $E\frac{1}{2}$ of $SW\frac{1}{4}$ of Section 16, T. 7 N., R. 7 W., S.B.M.

5. To execute easement to State of California by and through the Director of Department of Public Works pursuant to Section 4 of Chapter 672, Statutes of 1931, covering State lands described as N $\frac{1}{2}$ of Section 36, T. 5 S., R. 8 E., S.B.M., without compensation to State.

6. To consent to assignment of State Mineral Lease No. 71 upon receipt of the annual rental.

7. To authorize the accounting section of the Department of Finance to write off the sum of \$862.43 representing the difference between the amount paid to the State of California and the amount of indebtedness of Ora Carr covering Lots 467 and 496 Delhi State Land Settlement.

8. To complete transaction for the sale to Louis L. Ferrari of Lots 1 - 18 inclusive, Block C, and Lots 4 - 10 inclusive, Block K, Ballico Townsite, containing 13.92 acres. The records of the Division of State Lands disclose that Mr. Ferrari paid the State of California \$50 on May 20, 1938, and that upon November 10, 1938, he paid an additional \$250 representing the balance of the down payment and there now remains due and payable the sum of \$600, to be represented by two promissory notes each in the sum of \$300 and due November 1, 1939, and November 1, 1940, respectively, bearing interest at 6% per annum.

9. To authorize the sale at the market of 8894 pounds of beans and 7 sacks of wheat at Delhi, California, representing the State's share of crops from leases as Delhi State Land Settlement.

10. To prepare a lease with Shell Chemical Co. of California for execution by the Governor under Chapter 69, Statutes of 1929, as amended, for tidelands and submerged lands of the State in Contra Costa County, California, described as follows:

Beginning at a point on the ordinary high water mark of Suisun Bay which point bears N. 0° 16' E. 3170.41 feet and N. 0° 28' E. 5182.8 feet from the southwest corner of Section 11, T. 2 N., R. 1 W., M.D.M., thence along said ordinary high water mark N. 53° 07' E. 246.42 feet, N. 19° 00' E. 330.00 feet, S. 51° 00' E. 462.00 feet, S. 78° 00' E. 297.00 feet, S. 5° 00' E. 112.20 feet, S. 62° 00' E. 198.00 feet, S. 46° 00' E. 330.00 feet, S. 75° 30' E. 1188.00 feet, and S. 20° 28' E. 217.14 feet, thence out into Suisun Bay N. 0° 05' E. 368.59 feet, thence N. 64° 11' W. 665.39 feet, N. 60° 44' W. 685.75 feet, N. 69° 18' W. 862.76 feet, N. 69° 30' W. 633.29 feet, thence S. 0° 28' W. 692.62 feet to the point of beginning, containing 20.10 acres.

for the period of five years commencing January 1, 1939, at an annual rental of \$120.

11. To advise Submarine Oil Co., a corporation, of the declination of the Commission to give its consent to the extension for period of ten years on and after February 20, 1942, of term of State Oil and Gas Lease No. 17.

12. To consent to assignment of Lease No. 618, Fish Canyon.

13. To execute agreement upon behalf of the Commission with National Recording Co. of Sacramento for the purpose of photographing approximately 25,000 land patents filed in the Division of Lands in Sacramento at a total cost of approximately \$240 and to purchase for the purpose of reading the photographs a reading unit at \$125.

14. To execute State Mineral Prospecting Permit No. 395 to John Philip Zannaras covering the SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 36, T. 7 N., R. 22 E., S.B.M., for the period of two years from the date thereof and containing a royalty, upon issuance of a lease, to the State of ten per cent of the value upon all minerals produced, saved and sold.

15. To vary prospecting requirements contained in State Prospecting Permit No. 391 issued to Kenneth J. Hines to substitute core prospecting for shaft and tunnel prospecting.

16. To fix 11.7 cents per acre as the rental rate for Section 36, T. 33 N., R. 3 W., M.D.M., containing 640 acres in Shasta County, and to execute lease upon behalf of the Commission to the first applicant, and should he decline, then to the second applicant.

17. To purchase a Theodolite for the approximate sum of \$800 and one calculating machine in the approximate sum of \$475 and one calculating machine in the approximate sum of \$650 for use in the Oil Land Control work of the Division of State Lands.

18. To transfer \$250,000 from the State Lands Act Fund to the funds and in the percentages as follows:

70	percentum	thereof	to	the	General	Fund
30	"	"	"	"	State	Park Maintenance
					and	Acquisition Fund

The roll was called and the resolution adopted by the following vote:

Ayes - A. E. Stockburger
Harry B. Riley

Noes - None

There being no further business to come before the Commission, the meeting was adjourned.